

October 17, 2001

Staff Contact: Paul Teller x6-9718

Policy Brief..... FY 2002 Military Construction Appropriations Conference Report (H.R. 2904)

BY THE NUMBERS:

Budget Authority in Thousands of Dollars

	FY '01 Enacted	FY '02 Request	FY '02 House Bill	FY '02 Senate Bill	FY '02 Conference Report
Appropriations	8,936,498	9,971,312	10,500,000	10,500,000	10,500,000

The conference report total is:

- **\$1.56 billion or 17.4% above last year**
- **\$528.7 million or 5.3% above the President's request**
- equivalent to the House passed bill
- equivalent to the Senate passed bill.

Key Funding Issues:

- Military Construction: \$5.78 billion after rescissions (\$80 million more than the House-passed bill)
- Family Housing: \$4.10 billion (\$10 million more than the House-passed bill)
- Base Realignment and Closure: \$632.7 million (\$80 million more than the House-passed bill)

Dollars in Thousands

	Bush Request	House Bill	Senate Bill	Conference Report	% Over Request
Total Military Construction (after rescissions)	5,209,995	5,698,850	5,526,817	5,781,750	10.97%
Total Family Housing	4,066,517	4,085,837	4,128,383	4,095,739	0.72%
Total Base Realignment and Closure	532,200	552,713	682,200	632,713	18.89%

KEY LEGISLATIVE LANGUAGE:

Emergency Response to Terrorist Attacks: The Conference Report contains no language regarding the terrorist attacks of September 11th. Funds to reconstruct the damaged section of the Pentagon will come from the Emergency Supplemental Appropriations bill enacted last month.

Taxes in Foreign Nations: The Conference Report prohibits funds available to the Department of Defense for military construction or family housing during FY2002 from being used to pay real property taxes in any foreign nation.

Rescission Due to Foreign Currency Fluctuations: The amounts available in the “Foreign Currency Fluctuations, Construction, Defense” account exceed those necessary to eliminate losses due to unfavorable fluctuations in foreign currency exchange rates. As a result, the Conference Report includes a provision that rescinds \$60,000,000 from this account.

Environmental Restoration Activities: The Conference Report includes a provision that directs the Department of Defense to accurately reflect the cost of environmental restoration activities in its future budget submissions for the Base Realignment and Closure (BRAC) account.

Most of the general provisions in the Conference Report are unchanged from the House bill. For more information on the House bill, go to: <http://www.house.gov/burton/RSC/MilConPB.PDF>